

Department of Finance <p style="text-align: center;">STATE OF CALIFORNIA MANUAL OF STATE FUNDS</p>		Fund: 0908 PAGE 1 Renumbered From:
<u>Legal Title</u> School Employees Fund		
<u>Legal Citation/Authority</u> Chapter 9, Statutes of 2009-2010 (AB 13XXX) Unemployment Insurance Code sections 821-832 and Education Code section 1330		
<u>Fund Classification</u> <u>GAAP Basis</u> Proprietary/Enterprise Funds		<u>Fund Classification</u> <u>Legal Basis</u> Nongovernmental/Trust and Agency Funds-- Non-Federal
<u>Purpose</u> To provide a separate method of funding unemployment insurance for school employees. Employers of school employees are required to make payments into this fund which reimburses the Unemployment Fund for the amount of actual benefits paid to the school employees. Chapter 2, Statutes of 1978 also established an Unemployment Insurance Management System and provides for transfers to the Superintendent of Public Instruction, and the Chancellor of the California Community Colleges from the fund. After deduction of an administrative cost, not to exceed \$.05 per employee, these moneys are to be apportioned to the respective County Superintendent of Schools for managing the system. The state has increased the level of benefits payable to the unemployed since school employees have been eligible for unemployment insurance. This increase has been interpreted to be a state mandated local cost and the state must pay to the fund the amount of the increase in benefits pursuant to Section 2231 of the Revenue and Taxation Code.		
<u>Administering Agency/Organization Code</u> Employment Development Department/Org 7100		
<u>Major Revenue Source</u> Payments from employers of school employees of tax levies, fees, interest, and penalties. Payment from the General Fund for state mandated costs.		
<u>Disposition of Fund (upon abolishment)</u> Funds would be returned to the contributing employers and any remaining balance would, pursuant to Government Code 16346, be transferred to the General Fund.		
<u>Appropriation Authority</u> Unemployment Insurance Code Section 822 provides "All money in the fund is hereby appropriated to the administrator without regard to fiscal year for carrying out the purposes of this article, for administrative costs, for making refunds, and for investment through the Surplus Money Investment Fund..."		

State Appropriations Limit

Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund (Non-Federal).

Comments/Historical Information

Chapter 319, Statutes of 1972 originally created this fund titled Classified School Employees Fund.

Unemployment Insurance coverage was extended to classified school employees by Chapter 1622, Statutes of 1971, effective January 1, 1972. The initial payments were made by the Employment Development Department from the Unemployment Fund based on accumulated wage credits for the first calendar quarter of 1972.

Chapter 2, Statutes of 1978 extended unemployment insurance coverage to non-classified school employees and renamed the fund to its current title.